

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: January 25, 2008

Bill Number: S.B. 741 (as amended 01/22/08 in Subcomm.)

Author: Courson

Committee Requesting Impact: Senate Judiciary

Bill Summary

A bill to amend Chapter 18, Title 27 of the 1976 Code relating to the Uniform Unclaimed Property Act, to reduce the dormancy period for securities from seven years to three years, to update a reference, and to eliminate the requirement of a civil penalty for a person who fails to render a report, perform a duty, or deliver property as required pursuant to the chapter, **as amended**.

REVENUE IMPACT ^{1/}

This bill, as amended, is expected to raise Unclaimed Property Fund revenue within the state General Fund by \$5,700,000 in FY 2008-09.

Explanation

This bill, as amended, cuts the term in this State for certain stock or other equity interest in a security instrument to be presumed 'unclaimed property' from seven to three years. Also, a civil penalty for noncompliance in report or transfer of such property to the State Treasurer (STO) would no longer be mandatory.

A three-year dormancy period for these securities would mirror current law in twenty-five states. Based on a STO review, a stock certificate received as of August 1, 2008, would be sold (converted to cash) in August 2011. Cash remittances, i.e., unclaimed dividends, cash-in-lieu, liquidations, etc. would be reportable to STO in November 2008 for the preceding three-year period ending June 30. All 'unclaimed' cash proceeds and property converted to cash are deposited in the State General Fund under Section 27-18-240.

Based on information from the STO, we estimate this bill would raise Unclaimed Property Fund revenue within the state General Fund by \$5,700,000 in FY 2008-09.

Analyst: Di Biase

/s/ William C. Gillespie

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Chief Economist

^{1/} This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).